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09/522,481	03/10/2000	Edward J. Pinto	LR001	5694

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EXAMINER

PWU, JEFFREY C

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 09/13/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

**Application No.**

09/522,481

**Applicant(s)**

PINTO, EDWARD J.

**Examiner**

Jeffrey Pwu

**Art Unit**

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 5/7/2004 appeal brief.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### **DETAILED ACTION**

1. The 101 and 112 rejection of claims 1-20 is hereby withdrawn in view of applicant's appeal brief filed 5/7/2004 and newly discovered prior art. Any inconvenience is regretted.

#### ***Claim Rejections - 35 USC § 101***

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-20 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

For a claim to be statutory under 35 USC 101 the following two conditions must be met:

- 1) In the claim, the practical application of an algorithm or idea result in a useful, concrete, tangible result, AND

- 2) The claim provides a limitation in the technological art that enables a useful, concrete, tangible result.

As to the technology requirement, note MPEP Section iV 2(b). Also note In Re Waldbaum, 173USPQ 430 (CCPA 1972) which teaches "useful arts" is synonymous with "technological arts". In re Musgrave, 167USPQ 280 (CCPA1970), In re Johnston, 183USPQ 172 (CCPA 1974), and In re Toma, 197USPQ 852 (CCPA 1978), all teach a technological requirements.

***Claim Rejections - 35 USC § 102***

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

5. Claims 1-20 are rejected under 35 U.S.C. 102(e) as being unpatentable over Tengel et al.

(U.S. 5,940,812) (Hereinafter Tengel)

Tengel teaches claims:

1. A method of processing a secured loan comprising:  
accepting a loan application from a borrower, the loan application comprising at least a borrower's identity, collateral identity, and stated income of the borrower (abstract; "A loan application is automatically generated from the borrower attributes and is automatically sent to the selected lender for loan approval."; fig.5, loan application);  
generating a credit request based upon the borrower's identity to obtain a credit report, the credit report including credit information and credit score information (abstract; "credit bureau");  
accessing a property valuation database using the collateral identity (col.6, lines 25-41);  
based upon the credit report, generating an approval of the property valuation from the database (col.6, lines 43-60);  
based upon the credit report, generating a credit approval (col.6, lines 43-60; col.9, line 65- col.10, line 19);  
based upon the credit report, underwriting title of the identified collateral (col.10, lines 13-20);  
based upon the credit report and the stated income of the borrower, generating an approval of the borrower's ability to repay the loan (col.4, lines 21-27);

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based upon the credit, collateral, and ability to repay approvals, generating loan documentation; transmitting the loan documentation to the borrower and closing the loan (figs.3A-3B; col.5, line 2-col.7, line 67).

2.The method of claim 1 wherein the secured loan comprises a residential home equity loan (col.5, lines 20-44).

3. The method of claim wherein the step of generating a, credit request comprises generating a request to an online credit reporting agency (col.5, line 2-col.7, line 67).

4. The method of claim 1 wherein the step of generating credit approval comprises: providing a matrix having predefined values relating FICO scores to approvable credit history criteria for the associated FICO score; and determining if the obtained credit history contents meets the approvable criteria specified by the matrix (col.5, line 12-col.11, line 50).

5. The method of claim 1 wherein the step of underwriting title comprises: providing a matrix having predefined values relating FICO scores to postponeable title underwriting criteria for the associated FICO score; determining if the obtained credit history contents meets the postponeable title underwriting criteria specified by the matrix; and when the credit history contents indicate the postponeable underwriting is satisfied, issuing a conditional underwriting commitment before closing and verifying the title status after closing (col.5, line 12-col.11, line 50).

6.The method of claim 5 wherein the step of verifying title status comprises performing a deed search in a title record database to obtain a legal description of the collateral and a recorded name of the collateral owner; and basing the title underwriting on the deed search without a full title record search(col.5, line 12-col.11, line 50).

7. The method of claim 6 wherein the step of verifying title status comprises: obtaining a current status of lien positions from a title database using the collateral property description; using the deed search results to determine whether title is vested in the borrower;

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and using the deed search results to validate a legal description of the collateral property(col.5, line 12-col.11, line 50).

8. The method of claim 1 wherein the step of generating an approval of the borrower's ability to repay the loan further comprises:

providing a matrix having predefined values relating FICO scores to whether the stated income in the loan application needs to be verified for the associated FICO score;

determining if the obtained credit history contents meets the FICO score criteria specified by the matrix; and generating the approval of the borrower's ability to pay without income verification when the obtained FICO score meets the specified criteria(col.5, line 12-col.11, line 50).

9.A secured loan processing system comprising: (claim 9 is similarly rejected as in claim 1)

a loan processing computer system having an interface for receiving a loan application from a borrower, the loan application comprising at least a borrower's identity, collateral identity, and stated income of the borrower;

a credit reporting database in communication with the loan processing computer for receiving a request based upon the borrower's identity and providing a credit report including a FICO score to the loan processing computer system;

a property evaluation database in communication with the loan processing computer for receiving a request based upon the collateral identity and providing a database evaluation report to the loan processing computer system;

an underwriting matrix within the loan processing system having an association between credit report values and approval criteria, wherein the loan processing computer can approve the loan application based upon the application contents, the database evaluation, and credit report without reference to additional direct data.

10. The system of claim 9 further comprising:

a document generation module operable within the loan processing computer system for generating signature; documentation for approved loans; and a closing agent receiving the generated documentation to close the loan (col.5, line 12-col.11, line 50).

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11. The system of claim 10 further comprising a post closing process implemented by the loan processing computer system for performing a post-closing title verification on the collateral property(col.5, line 12-col.11, line 50);

12. The system of claim 9 wherein the underwriting matrix includes criteria for issuing a title underwriting policy based entirely on the credit report results (col.5, line 12-col.11, line 50).

13. A secured loan processing system comprising: (claim 13 is similarly rejected as in claim 1)

means for accepting a loan application from a borrower, the loan application comprising at least a borrower's identity, collateral identity, and stated income of the borrower;

means for generating a credit request based upon the borrower's identity to obtain a credit report, the credit report including credit information and credit score information;

means for accessing a property evaluation database using the collateral identity;

means for generating a credit approval based upon the credit report;

means for underwriting title of the identified collateral based upon the credit report;

means for generating an approval of the borrower's ability to repay the loan based upon the credit report and the stated income of the borrower;

means for generating loan documentation based upon the credit, title, and ability to repay approvals; and means for transmitting the loan documentation to the borrower.

14. The system of claim 13 wherein the secured loan comprises a mortgage equity loan (col.5, line 12-col.11, line 50).

15. The system of claim 13 wherein the means for generating a credit request comprises means for generating a request to an online credit reporting agency(col.5, line 12-col.11, line 50).

16. The system of claim 13 wherein the means for generating credit approval comprises:

means for providing a matrix having predefined values relating FICO scores to approvable credit history criteria for the associated FICO score; and means for determining if the obtained credit history contents meets the approvable criteria specified by the matrix (col.5, line 12-col.11, line 50).

17. The method of claim 13 wherein the means for underwriting title comprises:

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means for providing a matrix having predefined values relating FICO scores to postponeable title underwriting criteria for the associated FICO score(col.5, line 12-col.11, line 50);

means for determining if the obtained credit history contents meets the postponeable title underwriting criteria specified by the matrix; and means for issuing a conditional underwriting commitment before closing based solely upon the credit history and verifying the title status after closing when the credit history contents indicate the postponeable underwriting is satisfied (col.5, line 12-col.11, line 50).

18. The system of claim 17 wherein the means for verifying title status comprises means for performing a deed search in a title record database to obtain a legal description of the collateral and a recorded name of the collateral owner (col.5, line 12-col.11, line 50).

19. The system of claim 17 wherein the means for verifying title status comprises:  
means for obtaining a current status of lien positions from a title database using the collateral property description; means for using the deed search results to determine whether title is vested in the borrower; and means for validating a legal description of the collateral property using the deed search result (col.5, line 12-col.11, line 50).

20. The system of claim 13 wherein the means for generating an approval of the borrower's ability to repay the loan further comprises: means for providing a matrix having predefined values relating FICO scores to whether the stated income in the loan application needs to be verified for the associated FICO score; means for determining if the obtained credit history contents meets the FICO score criteria specified by the matrix; and means for generating the approval of the borrower's ability to pay without income verification when the obtained FICO score meets the specified criteria (col.5, line 12-col.11, line 50).

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6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

7. Claims 1-20 are rejected under 35 U.S.C. 102(a) as being unpatentable over E-loan

([http://web.archive.org/web/\\*/https://www.eloan.com/](http://web.archive.org/web/*/https://www.eloan.com/)). (Hereinafter E-loan)

E-loan teaches claims:

♦ A system and method of processing a secured loan comprising:  
accepting a loan application from a borrower, the loan application comprising at least a borrower's identity, collateral identity, and stated income of the borrower (page 5; page 13);  
generating a credit request based upon the borrower's identity to obtain a credit report, the credit report including credit information and credit score information (page 20, "credit reports"; page 23, "Home Mortgage Rates", "credit history" or "credit score");  
accessing a property valuation database using the collateral identity (page 23, "property location", "estimated property value", "property location", "property type");  
based upon the credit report, generating an approval of the property valuation from the database (page 21);  
based upon the credit report, generating a credit approval ("E-Tracking Loan Status");  
based upon the credit report, underwriting title of the identified collateral (page 21, "E-Loan completes underwriting")  
based upon the credit report and the stated income of the borrower, generating an approval of the borrower's ability to repay the loan ("E-Tracking Loan Status");  
based upon the credit, collateral, and ability to repay approvals, generating loan documentation; transmitting the loan documentation to the borrower (page 21, "E-Loan completes underwriting")  
and closing the loan ("sign loan documents"; pages 33-34).

♦ wherein the secured loan comprises a residential home equity loan (page 23)

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◆ wherein the step of generating a, credit request comprises generating a request to an online credit reporting agency (E-loan)

◆ wherein the step of generating credit approval comprises:  
providing a matrix having predefined values relating FICO scores to approvable credit history criteria for the associated FICO score; and determining if the obtained credit history contents meets the approvable criteria specified by the matrix (page 20, “credit reports”; page 23, “Home Mortgage Rates”, “credit history” or “credit score”);

◆ wherein the step of underwriting title comprises:  
providing a matrix having predefined values relating FICO scores to postponeable title underwriting criteria for the associated FICO score; determining if the obtained credit history contents meets the postponeable title underwriting criteria specified by the matrix; and when the credit history contents indicate the postponeable underwriting is satisfied, issuing a conditional underwriting commitment before closing and verifying the title status after closing (page 21, “E-Loan completes underwriting”);

◆ wherein the step of verifying title status comprises performing a deed search in a title record database to obtain a legal description of the collateral and a recorded name of the collateral owner; and basing the title underwriting on the deed search without a full title record search (page 21, “E-Loan completes underwriting”);

◆ wherein the step of verifying title status comprises:  
obtaining a current status of lien positions from a title database using the collateral property description; using the deed search results to determine whether title is vested in the borrower; and using the deed search results to validate a legal description of the collateral property (page 21, “E-Loan completes underwriting”);

◆ wherein the step of generating an approval of the borrower's ability to repay the loan further comprises: providing a matrix having predefined values relating FICO scores to whether the

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stated income in the loan application needs to be verified for the associated FICO score; determining if the obtained credit history contents meets the FICO score criteria specified by the matrix; and generating the approval of the borrower's ability to pay without income verification when the obtained FICO score meets the specified criteria (pages 30-31).

***Response to Arguments***

8. Applicant's arguments, see appeal brief, filed 5/7/2004, with respect to the rejection(s) of claim(s) 1-20 under 112 have been fully considered and are persuasive. Therefore, the rejection has been withdrawn. However, upon further consideration, a new ground(s) of rejection is made in view of Tengel or E-loan.

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jeffrey Pwu whose telephone number is 703 308-7835. The examiner can normally be reached on 7:30-5:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Sam Sough can be reached on 703 308-7835. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



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**JEFFREY PWU**  
**PRIMARY EXAMINER**